

## **APPENDIX A**

### **INTEREST RATE AGREEMENT INFORMATION SHEET**

**General Information** [Guidelines, Sections II, III-A and IV-J]

Name of Governmental Entity: \_\_\_\_\_

If Governmental Entity is a Conduit Issuer, Name of Borrower or Lessee to Which this Agreement Relates: \_\_\_\_\_

If Governmental Entity is Borrower or Lessee of a Conduit Issuer to Which this Agreement Relates, name of Conduit Issuer: \_\_\_\_\_

Name of Chief Executive Officer of Governmental Entity: \_\_\_\_\_

Educational training: (course name, provider, date, number of hours attended) \_\_\_\_\_

Name of Chief Financial Officer of Governmental Entity: \_\_\_\_\_

Educational training: (course name, provider, date, number of hours attended) \_\_\_\_\_

**Authorizing Statute for Interest Rate Agreement** [Guidelines, Section III-C]

- ☐ Section 7-34-109 authorizing Interest Rate Agreement for Municipal Utilities
- ☐ Section 7-39-305 authorizing Interest Rate Agreement for Energy Acquisition Corporations
- ☐ Section 7-82-502 authorizing Interest Rate Agreement for Utility Districts
- ☐ Section 9-21-213 authorizing Interest Rate Agreement for Governmental Entity General Obligation bonds and Citizens Bonds
- ☐ Section 9-21-305 authorizing Interest Rate Agreement for Governmental Entity Revenue Bonds
- ☐ Section 9-21-602 authorizing Interest Rate Agreement for Governmental Entity Capital Outlay Notes
- ☐ Section 9-21-907 authorizing Interest Rate Agreement for Governmental Entity General Obligation Refunding Bonds
- ☐ Section 9-21-1006 authorizing Interest Rate Agreement for Governmental Entity Revenue Refunding Bonds
- ☐ Section 12-10-111 authorizing Interest Rate Agreement for Public Building Authority Bonds
- ☐ Section 12-10-116 authorizing Interest Rate Agreement for leases, loan agreements, sales contracts or operating contracts between a Governmental Entity and a Public Building Authority
- ☐ Section 49-3-1002(h) authorizing Interest Rate Agreement for Counties for Schools
- ☐ OTHER:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Type of Interest Rate Agreement:**

- ☐ Interest Rate Swap Agreement  
☐ Interest Rate Collar  
☐ Interest Rate Floor  
☐ Interest Rate Cap  
☐ Other type of Interest Rate Agreement (describe below and attach agreement or sample) \_\_\_\_\_
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Is the Interest Rate Agreement an option to enter into or cancel an Interest Rate Agreement in the future?                      Yes ☐                      No ☐

If yes, when may the option be exercised? \_\_\_\_\_

Will the Governmental Entity's obligations under the Interest Rate Agreement start in the future (i.e., a "forward agreement")?                      Yes ☐                      No ☐

Indicate the dates pertaining to the Interest Rate Agreement:

Earliest starting date: \_\_\_\_\_ Final termination date: \_\_\_\_\_

**Condition(s) for Entering into an Interest Rate Agreement** [Guidelines, Section IV-A]

1. Purpose for entering into interest rate agreement:

- ☐ Reduce the Governmental Entity's exposure to changes in interest rates with respect to a borrowing.  
☐ Reduce the net cost of borrowing with respect to related obligations.  
☐ Accomplish the following described purpose. \_\_\_\_\_
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2. Provide appropriate analysis and other information necessary to demonstrate how the purpose indicated above will be accomplished. Further provide an analysis of the benefits weighed against the risks assumed. (Attach analysis and information to this form)

3. Will the indebtedness be incurred or authorized contemporaneously with entering into the Interest Rate Agreement?

- ☐ Yes                      ☐ No

Is the Agreement contingent on the issuance of such debt?

- ☐ Yes                      ☐ No

4. Describe specifically the indebtedness with respect to which the Interest Rate Agreement relates: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. If this pertains to an Interest Rate Swap Agreement (whether current, forward or option), indicate type:

Fixed to floating ☐ Floating to fixed ☐

**Procurement of Interest Rate Agreements** [Guidelines, Section IV-B]

How will Counterparty be selected?

Competitively ☐ Negotiated ☐

**Form of Documentation** [Guidelines, Section IV-C]

☐ International Swaps and Derivatives Association, Inc. Standard Documentation

☐ Other Documentation (subject to approval by the Comptroller of the Treasury): Attach explanation of reasons for using documents other than ISDA documents and submit example of such documents. Also submit detailed description of variances from ISDA documents and effect of such variances on Governmental Entity.

**Risks Associated with Interest Rate Agreement** [Guidelines, Section IV-D]

The undersigned represents that the following risks are associated with the agreement and recognizes that the Governmental Entity is assuming such risks. The undersigned shall identify the benefits to the Governmental Entity in assuming such risks. Brief descriptions of such risks are set forth below:

Tax Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Basis Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Termination Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Tail Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Liquidity Renewal Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Market Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Leverage Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>

**Description of Risks:**

**"Tax Risk"** - The risk that changes or proposed changes in tax laws or events relating to the tax-exempt status of the Governmental Entity's obligations or of tax-exempt obligations generally will cause interest rates on the debt of the Governmental Entity to increase.

**"Basis Risk"** - The risk that the interest rate payable by a Governmental Entity on floating rate debt may not exactly coincide with payment made to the Governmental Entity pursuant to an interest rate swap based upon a floating rate index.

**"Termination Risk"** - The risk that the Governmental Entity may have to pay a substantial sum of money if either the Governmental Entity or the Counterparty chooses to terminate an Interest Rate Agreement prior to its otherwise stated termination date or if the Agreement terminates for some other reason, including the occurrence of an event of default or a termination event in respect of either party to the Agreement.

**"Tail Risk"** - The risk that the term of the Interest Rate Agreement does not coincide with the term of the related obligations, thereby subjecting the Governmental Entity to additional interest rate risk.

**"Liquidity Renewal Risk"** - The risk to a Governmental Entity with variable rate bonds that the liquidity facility for the bonds will terminate or expire prior to the maturity of the bonds resulting in higher costs for the Governmental Entity or the risk of inability to secure a replacement facility.

**"Market Risk"** - The risk to a Governmental Entity of rising/falling interest rates.

**"Leverage Risk"** - The enhanced risk inherent in certain Interest Rate Agreements which, by their terms, leverage or multiply the risks undertaken.

**Counterparty Information** [Guidelines, Section IV-E]

1. Will Counterparty have a counterparty, a long-term debt, or a claims paying rating of "A" or better from a nationally recognized ratings service?  
Yes ☐ No ☐
2. If answer to first question is no, will Counterparty provide:
  - ☐ A surety for its obligations with a long-term debt or claims paying rating of "A" or better.
  - ☐ A guarantor with a long-term debt or claims paying rating of "A" or better.  
(Attach appropriate documentation for surety or guarantor rating)
  - ☐ Collateral with market value at least 102% of the termination value.

**Credit Enhancement, Liquidity and Reserves** [Guidelines, Section IV-F]

The Guideline do not require the Governmental Entity or Counterparty to obtain credit enhancement or a liquidity facility nor maintain any reserves in connection with an Interest Rate Agreement, except in those cases where the Counterparty is required to provide collateral, guaranty or surety to secure the termination value of an Interest Rate Agreement.

1. Is the Counterparty required to provide collateral, guaranty, or surety to secure the termination value of the Interest Rate Agreement?  
Yes ☐ No ☐
2. If yes, please attach additional information concerning the collateral, guaranty or surety used to secure the termination value of the transaction.

**Financial Statement Reporting** [Guidelines, Section IV-G]

The Governmental Entity understands it shall account for the Interest Rate Agreement through generally accepted governmental accounting principles and will discuss with its accountant or auditor the accounting treatment required for the Agreement.

Yes ☐ No ☐

**Financial Monitoring Process** [Guidelines, Section IV-H]

1. Name of employee/position responsible for monitoring:

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2. If a third party is to be used, provide information concerning the third party and their qualifications.

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3. Attach to the form a description of the process for monitoring and reviewing the valuations.

4. Is the process in place?

Yes ☐ No ☐

5. What is the frequency of monitoring?

☐ Weekly ☐ Monthly ☐ Other \_\_\_\_\_

6. Frequency of reporting monitoring results to Chief Executive Officer/Chief Financial Officer?

☐ Weekly ☐ Monthly ☐ Other \_\_\_\_\_

**Application and Source of Payments** [Guidelines, Section IV-I]

1. Will a nonperiodic payment be received in connection with entering into or performing under an interest rate agreement?

Yes ☐ No ☐

a) If yes, has a nationally recognized bond counsel been consulted as to the existence of restrictions on the application or investment of such payment?

Yes ☐ No ☐

b) If no, will the Governmental Entity consult with such bond counsel that no such restrictions exist?

Yes ☐ No ☐

2. What are the sources for payments including nonperiodic payments to be identified in the Interest Rate Agreement? \_\_\_\_\_

\_\_\_\_\_

Information Provided

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

(Must be executed by Chief Executive Officer or Chief Financial Officer)

## **APPENDIX B**

### **FORWARD PURCHASE AGREEMENT INFORMATION SHEET**

#### **General Information** [Guidelines, Sections II, III-A and V-H]

Name of Governmental Entity: \_\_\_\_\_

If Governmental Entity is a Conduit Issuer, Name of Borrower or Lessee to Which this Agreement Relates: \_\_\_\_\_

If Governmental Entity is Borrower or Lessee of a Conduit Issuer to Which this Agreement Relates, Name of Conduit Issuer: \_\_\_\_\_

Name of Chief Executive Officer of Governmental Entity: \_\_\_\_\_

Educational training: (course name, provider, date , number of hours attended) \_\_\_\_\_

Name of Chief Financial Officer of Governmental Entity: \_\_\_\_\_

Educational training: (course name, provider, date, number of hours attended) \_\_\_\_\_

#### **Authorizing Statute for Forward Purchase Agreement** [Guidelines, Section III-C)]

- ☐ Section 7-34-109 authorizing Forward Purchase Agreement for Municipal Utilities
- ☐ Section 7-39-305 authorizing Forward Purchase Agreement for Energy Acquisition Corporations
- ☐ Section 7-82-502 authorizing Forward Purchase Agreement for Utility Districts
- ☐ Section 9-21-302 authorizing Forward Purchase Agreement for Governmental Entity Revenue Bonds
- ☐ Section 9-21-910 authorizing Forward Purchase Agreement for Governmental Entity General Obligation Refunding Bonds
- ☐ Section 9-21-1008 authorizing Forward Purchase Agreement for Governmental Entity Revenue Refunding Bonds
- ☐ Section 12-10-111 authorizing Forward Purchase Agreement for Public Building Authority Bonds
- ☐ Section 49-3-1002(i) authorizing Forward Purchase Agreement for Counties for Schools
- ☐ OTHER: \_\_\_\_\_

**Condition(s) for entering into Forward Purchase Agreement:** [Guidelines, Section V-A]

1. Purpose for entering into interest rate agreement:

- ☐ Reduce the Governmental Entity's exposure to changes in interest rates with respect to a particular borrowing.
- ☐ Result in a reasonably anticipated lower net cost of borrowing with respect to related obligations.
- ☐ Accomplish the following described purpose. \_\_\_\_\_
- \_\_\_\_\_

2. Provide appropriate analysis and other information necessary to demonstrate how the purpose indicated above will be accomplished. Further provide an analysis of the benefits weighed against the risks assumed. (Attach analysis and information to this form)

**Type of Forward Purchase Agreement:**

- Debt Issuance to Refund AMT Bonds ☐
- Debt Issuance to Refund Previously Refunded Bonds ☐
- New Money Debt Issuance ☐
- Other (describe below and attach agreement or sample) ☐
- \_\_\_\_\_
- \_\_\_\_\_

**Procurement of Forward Purchase Agreement** [Guidelines, Section V-B]

How will Counterparty be selected?

Competitively ☐ Negotiated ☐**Form of Documentation** [Guidelines, Section V-C]

Will the Governmental Entity use documentation in the same form and content as a standard bond purchase agreement, clearly defining the rights and obligations of each party to the Forward Purchase Agreement in the event of failure by either party?

Yes ☐ No ☐**Risks Associated with Forward Purchase Agreement** [Guidelines, Section V-D]

The undersigned represents that the following risks are associated with the agreement and recognizes that the Governmental Entity is assuming such risks. Brief descriptions of such risks are set forth below:

Tax Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Counterparty Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Market Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Termination Risk	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>



**Description of Risks:**

**"Tax Risk"** - The risk that the bonds to be purchased pursuant to the Forward Purchase Agreement cannot be issued on a tax-exempt basis at the time delivery of such bonds is expected pursuant to the Forward Purchase Agreement.

**"Counterparty Risk"** - The risk that the other party to the Forward Purchase Agreement will default on his obligations under such agreement and the Governmental Entity will not receive the expected benefit of the Forward Purchase Agreement.

**"Market Risk"** - The risk that the interest rates with respect to the obligations to be issued pursuant to the Forward Purchase Agreement would have been lower at the time the Obligations are required to be issued than the interest rates provided in the Forward Purchase Agreement.

**"Termination Risk"** - The risk that the Governmental Entity may have to pay a substantial sum of money if either the Governmental Entity or the Counterparty chooses to terminate a Forward Purchase Agreement prior to its otherwise stated termination date or if the Agreement terminates for some other reason, including the occurrence of an event of default or a termination event in respect of either party to the Agreement.

**Standards for Counterparty Selection:**

1. Name (If selected) \_\_\_\_\_

2. Is Counterparty a registered broker dealer under the laws of the state?

Yes ☐ No ☐

(attach supporting documentation)

3. Does the Counterparty have capital and surplus exceeding \$10,000,000?

Yes ☐ No ☐

If yes, list amount of capital and surplus: \$\_\_\_\_\_ (attach supporting documentation)

**Financial Disclosures**

The Governmental Entity entering into a Forward Purchase Agreement understands it shall account for the Forward Purchase Agreement through generally accepted governmental accounting principles and will discuss with its accountant or auditor the accounting treatment required for the Agreement.

Yes ☐ No ☐

**Application and Source of Payments** [Guidelines, Section IV-I]

1. Will a nonperiodic payment be received in connection with entering into or performing under the Forward Purchase Agreement?

Yes ☐ No ☐

If yes, has a nationally recognized bond counsel been consulted as to the existence of restrictions on the application or investment of such payment?

Yes ☐ No ☐

If no, will the Governmental Entity consult with such bond counsel that no such restrictions exist?

Yes ☐ No ☐

2. What are the sources for payments including nonperiodic payments to be identified in the Forward Purchase Agreement? \_\_\_\_\_
- \_\_\_\_\_

Information Provided

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

(Must be executed by Chief Executive Officer or Chief Financial Officer)